TAXPAYER REFUND ACT/Higher Taxes, School Construction

SUBJECT: Taxpayer Refund Act of 1999 . . . S. 1429. Nickles motion to table the Robb motion to recommit with

instructions.

ACTION: MOTION TO TABLE MOTION TO RECOMMIT AGREED TO, 55-45

SYNOPSIS: As reported, S. 1429, the Taxpayer Refund Act of 1999, will give back to the American people \$792 billion of the \$3.3 trillion in surplus taxes that the Congressional Budget Office (CBO) has projected that the Federal Government will collect over the next 10 years. The projection is based on assumptions of 2.4-percent average annual growth in the economy, no growth in discretionary spending after 2002, and entitlement spending growth as required under current law. Approximately \$1.9 trillion of the surpluses will be Social Security surpluses (Republicans have been attempting to defeat a Democratic filibuster of a proposal to protect those surpluses from being spent; see vote Nos. 90, 96, 166, 170, 193, and 211). After protecting the Social Security surpluses and providing tax relief of \$792 billion, \$505 billion will remain for additional spending or debt reduction. The average growth rate over the past 50 years has been 3.4 percent. The current growth rate is around 4 percent. If the 3.4-percent average rate is maintained for the next 10 years, then (using the CBO rule-of-thumb chart from Appendix C of the January 1999 Economic and Budget Outlook) the surplus will be roughly \$4.9 trillion, not \$3.3 trillion. Key tax relief provisions include that the bottom tax rate will be lowered to 14 percent and expanded (providing \$297.5 billion in tax relief over 10 years) and the tax burden on families will be cut (providing \$221.7 billion in tax relief). Tax relief will also be given to encourage saving for retirement, to make education and health care more affordable, to lower death taxes, and to lower taxes on small businesses.

The Robb motion to recommit with instructions would instruct the Finance Committee to report the bill back within 3 days with an amendment "reducing or deferring by \$5.7 billion over the next 10 years certain new tax rates in the bill that benefit those who least need relief." (During debate, supporters of the motion stated that their intent in making the motion would be to spend the higher amounts collected in taxes on public school construction projects).

All votes after vote No. 233 were on amendments or motions that were made after all debate time had expired. However, 2

(See other side)

(See other state)					
YEAS (55)		NAYS (45)		NOT VOTING (0)	
Republicans	Democrats	Republicans	Democrats	Republicans	Democrats
(55 or 100%)	(0 or 0%)	(0 or 0%)	(45 or 100%)	(0)	(0)
Abraham Allard Ashcroft Bennett Bond Brownback Bunning Burns Campbell Chafee Cochran Collins Coverdell Craig Crapo DeWine Domenici Enzi Fitzgerald Frist Gorton Gramm Grams Grassley Gregg Hagel Hatch Helms	Hutchinson Hutchison Inhofe Jeffords Kyl Lott Lugar Mack McCain McConnell Murkowski Nickles Roberts Roth Santorum Sessions Shelby Smith, Bob (I) Smith, Gordon Snowe Specter Stevens Thomas Thompson Thurmond Voinovich Warner		Akaka Baucus Bayh Biden Bingaman Boxer Breaux Bryan Byrd Cleland Conrad Daschle Dodd Dorgan Durbin Edwards Feingold Feinstein Graham Harkin Hollings Inouye Johnson	Kennedy Kerrey Kerry Kohl Landrieu Lautenberg Leahy Levin Lieberman Lincoln Mikulski Moynihan Murray Reed Reid Robb PLANAT Robkefefferial E Sarbanes cessari Schumelness Todicenther Wellstone WSKMBOLS: AY—Annour AN—Annour PY—Paired I	ly Absent nced Yea nced Nay Yea

VOTE NO. 242 JULY 30, 1999

minutes of debate were allowed before each vote by unanimous consent, some statements were inserted in the record, and some amendments and motions were debated prior to being offered or made. Senator Nickles moved to table the Robb motion. Generally, those favoring the motion to table opposed the motion to recommit; those opposing the motion to table favored the motion to recommit.

Those favoring the motion to table contended:

We have had this debate several times in the past. We believe that it would be a serious mistake for the Federal Government to attempt to take over the building and repair of public schools around the country. Those decisions have always been handled locally, and we believe those types of decisions are best handled locally. Therefore, we must oppose this attempt to have the Federal Government intrude into an area of State and local responsibility.

Those opposing the motion to table contended:

In 1995 the General Accounting Office (GAO) estimated that approximately \$112 billion would have to be spent on repairs of existing public schools and on construction of new public schools in order to ensure that all children had clean, safe, and technologically modern facilities in which to learn. Ever since the GAO made that estimate, we have been fighting to get our Republican colleagues to support funding for a new Federal public school construction program. We have not yet succeeded; we have offered the Robb motion to try again. We urge our colleagues not to table this motion.